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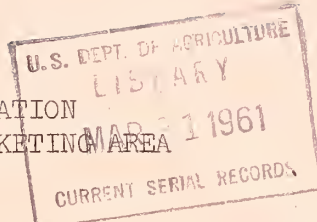
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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
FEBRUARY 1961



Number 7

Released Pursuant to §1000.27 (j) and §1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY FEBRUARY 1961

The Chattanooga Order Minimum uniform producer price is \$4.96 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

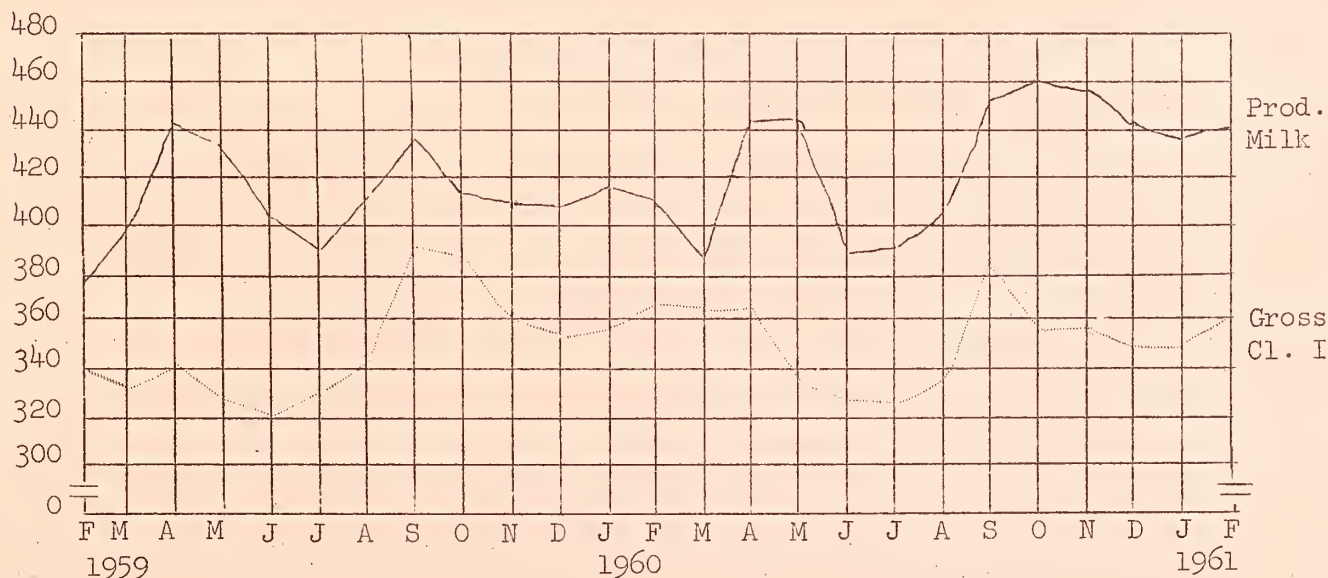
During February 80.3% of the total producer milk was priced in Class I at \$5.43 per cwt. with a butterfat differential of 7.9 cents and 19.7% was priced in Class II at \$3.21 per cwt. with a butterfat differential of 7.0 cents. The percent of producer skim and butterfat priced in Class I was 80.9% and 66.4% respectively.

The daily average delivery of producer milk during February increased 0.6% compared with January and increased 7.2% compared with February 1960. The daily average use of Class I milk increased 2.7% compared with January and decreased 1.4% compared with February 1960.

PRODUCER ANNOUNCED BASES - FOUR YEARS COMPARISON

Base Range Pounds	1961 Number of Producers	1960 Number of Producers	1959 Number of Producers	1958 Number of Producers	Base Range Pounds	1961 Number of Producers	1960 Number of Producers	1959 Number of Producers	1958 Number of Producers
0- 99	4	10	22	24	700- 799	53	43	57	55
100-199	22	46	68	85	800- 899	41	39	27	31
200-299	78	104	138	147	900- 999	29	28	28	18
300-399	103	115	118	143	1000-1499	90	60	46	38
400-499	93	85	102	116	1500-1999	19	20	10	9
500-599	86	78	84	85	Over-2000	10	7	8	6
600-699	54	71	50	44	Total Prod.	682	706	758	801

DAILY AVERAGE PRODUCER RECEIPTS COMPARED TO GROSS CLASS I UTILIZATION
(1000 pounds per day)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Feb. '61</u>	<u>Jan. '61</u>	<u>Feb. '60</u>
Number of Plants (Pool and Non-Pool)	19	19	19
GROSS RECEIPTS (DAILY)			
Total Producer Milk Pounds	441,259	438,453	411,790
% Feb. '61 compared with:	100.0	100.6	107.2
Other Source Milk Pounds	10,219	8,051	12,454
Other Order Milk Pounds	7,568	7,001	4,196
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>459,046</u>	<u>453,505</u>	<u>428,440</u>
% Feb. '61 compared with:	100.0	101.2	107.1
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds			
Fluid Milk	301,261	289,621	301,621
Buttermilk	38,358	37,936	40,539
Chocolate Milk	7,548	7,282	7,059
Fluid Skim	12,417	11,164	11,731
Cream Mixture ($\frac{1}{2}$ & $\frac{1}{2}$)	1,028	1,040	695
Light Cream (X)	530	491	715
Heavy Cream (XX)	588	558	656
Sour Cream	275	292	275
Bulk to Non-Handlers	272	308	942
Class I Shrinkage	1,840	3,035	1,908
Inventory Reclassification	(3,944)	(1,071)	(803)
Overstated Sales	(45)	-	-
Total Class I Milk	<u>360,128</u>	<u>350,656</u>	<u>365,338</u>
% Feb. '61 compared with:	100.0	102.7	98.6
Class II Milk Pounds (Used to Produce)			
Butter	7,377	7,705	8,111
Cottage Cheese	21,365	14,275	14,097
Powdered and Condensed Milk	41,369	3,595	19,120
Ice Cream	19,701	13,835	13,880
Inventory Variation	3,580	10,562	(1,114)
Other	5,526	52,877	9,008
Total Class II Milk	<u>98,918</u>	<u>102,849</u>	<u>63,102</u>
% Feb. '61 compared with:	100.0	96.2	156.8
<u>TOTAL UTILIZATION CL.I AND CL.II MILK LBS.</u>	<u>459,046</u>	<u>453,505</u>	<u>428,440</u>
% Producer Milk of Gross Class I	122.5	125.0	112.7
% Producer Milk Priced in Class I	80.3	78.7	87.1

NUMBER OF FARM PAYROLL ACCOUNTS

	1960											1961	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Total	704	701	702	697	695	690	700	707	702	699	693	682	680
New	1	0	3	0	2	3	17	21	6	4	2	2	1
Quit	10	3	2	5	4	8	7	14	11	7	8	13	3

MILK SAMPLES TESTED - Producer Fresh 5,729 - Finished Products 231.

During February an average of 8.4 samples per producer was used to determine butterfat content and pay test. Other samples were used to determine water, bacteria, antibiotics, etc.

ANNOUNCED 1961 PRODUCER BASES

The average daily bases that producers established during the months of Sept. 1960 thru Jan. 1961 were announced by the Market Administrator on Feb. 24, 1961. If any producer who established a base did not receive a base notice, he should contact the office of the Market Administrator.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR FEBRUARY 1961

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Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		10,083,573	3.540		
Less Other Source		163,903	1.506		
Producer Milk Class I	80.3%	9,919,670	3.573970	\$5.093436	\$505,252.04
Gross Class II		2,769,727	6.739		
Less Other Source		334,154	2.273		
Producer Milk Class II	19.7	2,435,573	7.352069	5.556448	135,331.35
TOTAL PROD. (Cl. I + Cl. II)	100.0	12,355,243	4.318741		640,583.39
Less Fractional Adjustment					.02
Add Compensatory Payment Value		36,554		0.47	171.81
Add Overage Value					1,224.22
Add Inventory Reclassification Value					214.59
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,855.38
TOTAL VALUE AT TEST		12,355,243	4.318741		648,049.37
Less Test Over 4% @ 7.6¢ per point		12,355,243	.318741	0.242243	29,929.71
TOTAL VALUE AT 4.0%		12,355,243	4.0	5.002894	618,119.66
Less Producer-Settlement Fund Reserve		12,355,243		.042894	5,299.66
UNIFORM PRICE f.o.b. POOL PLANT - 4%		12,355,243	4.0	\$4.96	\$612,820.00

FEBRUARY 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.20	3.6	\$4.656	4.2	\$5.112	4.8	\$5.568	5.4	\$6.024
3.05	4.238	3.65	4.694	4.25	5.15	4.85	5.606	5.45	6.062
3.1	4.276	3.7	4.732	4.3	5.188	4.9	5.644	5.5	6.10
3.15	4.314	3.75	4.77	4.35	5.226	4.95	5.682	5.55	6.138
3.2	4.352	3.8	4.808	4.4	5.264	5.0	5.72	5.6	6.176
3.25	4.39	3.85	4.846	4.45	5.302	5.05	5.758	5.65	6.214
3.3	4.428	3.9	4.884	4.5	5.34	5.1	5.796	5.7	6.252
3.35	4.466	3.95	4.922	4.55	5.378	5.15	5.834	5.75	6.29
3.4	4.504	4.0	4.96	4.6	5.416	5.2	5.872	5.8	6.328
3.45	4.542	4.05	4.998	4.65	5.454	5.25	5.91	5.85	6.366
3.5	4.58	4.1	5.036	4.7	5.492	5.3	5.948	5.9	6.404
3.55	4.618	4.15	5.074	4.75	5.53	5.35	5.986	5.95	6.442

MARCH 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Mar. '61	Feb. '61	Mar. '60
Basic Formula (See page 4)	\$3.62	\$3.80	\$3.48
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.08)	(0.12)	0.02
Class I Price, 4.0% Butterfat	\$5.29	\$5.43	\$5.25
Per \$ 1000.51 (a)			

Supply-Demand Comparison: 1st and 2nd preceding months: January and February

Supply: Lbs. Producer Milk (Jan. 13,592,057 and Feb. 12,355,243) 25,947,300

Demand: Lbs. Net Class I Milk (Jan. 10,768,667 and Feb. 10,064,874) 20,833,541

Utilization Percentage: Producer milk divided by Class I 125

Standard Utilization Percentage: Range 117-121 121

Net Deviation Percentage: Utilization minus Standard Utilization plus 4

Supply-Demand Adjustment: 2 cents x 4 percentage points minus \$0.08

Since the supply in relation to the demand is more than the desired standard, the price is decreased 8 cents per hundredweight (2 cents x 4 percentage points).

SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES 1/ Per Hundredweight				HANDLER CLASS PRICES 1/ Class I Class II			
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Feb. '60	\$4.96	-	-	7.2¢	\$5.26	7.5¢	\$3.21	6.7¢
Mar.	5.07 2/	\$5.18	\$3.15	7.4	5.25	7.5	3.19	6.7
Apr.	4.93 2/	5.18	3.05	7.2	5.40	7.5	3.09	6.7
May	4.73 2/	4.96	3.02	7.2	5.34	7.5	3.06	6.7
June	4.83 2/	4.98	3.02	7.2	5.23	7.5	3.06	6.7
July	4.84 2/	5.03	3.02	7.2	5.25	7.5	3.06	6.7
Aug.	4.83	-	-	7.4	5.26	7.5	3.09	6.8
Sept.	4.84	-	-	7.6	5.14	7.7	3.50	7.0
Oct.	4.74	-	-	7.6	5.19	8.0	3.52	7.0
Nov.	4.85	-	-	7.6	5.30	7.9	3.55	7.1
Dec.	4.84	-	-	7.6	5.29	8.0	3.50	7.0
Jan. '61	4.96	-	-	7.6	5.43	7.9	3.50	7.0
Feb.	4.96	-	-	7.6	5.43	7.9	3.21	7.0
Mar.	-	-	-	-	5.29	7.9	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.		Cheese	Powder		
Feb. '60	3.119	57.976	13.205	34.750	3.48	3.20	3.38	3.21	3.48
Mar.	3.095	57.970	13.070	34.750	3.47	3.20	3.38	3.19	3.47
Apr.	3.032	57.974	12.975	32.350	3.39	3.16	3.35	3.09	3.39
May	2.998	57.944	12.800	32.000	3.36	3.15	3.34	3.06	3.36
June	3.000	57.974	12.755	32.000	3.36	3.15	3.35	3.06	3.36
July	3.014	57.988	12.710	32.000	3.37	3.16	3.35	3.06	3.37
Aug.	3.076	59.041	12.720	33.062	3.45	3.22	3.40	3.09	3.45
Sept.	3.202	61.280	12.780	36.600	3.58	3.38	3.50	3.23	3.58
Oct.	3.311	60.773	13.085	37.750	3.69	3.38	3.52	3.25	3.69
Nov.	3.402	61.470	13.150	37.750	3.78	3.41	3.55	3.25	3.78
Dec.	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82
Jan. '61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80
Feb.	3.240	60.460	13.180	33.938	3.62	3.30	3.50	3.21	3.62

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS <i>3/</i>					Number of		Deliveries Per			Prod.
	Gross	Prod.	Prod.	Base	Gross	Hdlr.Prod.		Farm--Pounds			Milk
	Cl.I	Cl.I	Repts.	Repts.	Repts.			Prod.	Base	Exc.	Test%
Feb. '60	365,338	358,744	411,790	-	428,440	19	704	585	-	-	4.39
Mar.	364,784	360,301	388,659	369,056	412,314	19	701	554	526	28	4.43
Apr.	364,048	359,098	443,554	393,065	457,996	19	702	632	560	72	4.19
May	336,344	331,632	444,101	390,950	461,097	19	697	637	561	76	4.16
June	327,515	322,519	390,059	360,248	406,662	19	695	561	518	43	4.11
July	327,075	322,754	391,646	354,554	408,644	19	690	568	514	54	4.06
Aug.	336,437	331,519	406,758	-	425,433	19	700	581	-	-	4.07
Sept.	384,465	379,222	453,829	-	465,087	18	707	642	-	-	4.12
Oct.	357,521	352,291	460,803	-	474,665	18	702	656	-	-	4.32
Nov.	357,666	350,651	456,802	-	473,350	18	699	654	-	-	4.41
Dec.	348,589	341,406	441,642	-	462,764	19	693	637	-	-	4.47
Jan. '61	350,656	344,899	438,453	-	453,505	19	682	643	-	-	4.46
Feb.	360,128	354,274	441,259	-	459,046	19	680	649	-	-	4.32

1/ Excludes Premiums

2/ For statistics only

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base